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FEDERAL COMMUNICATIONS COMMISSION

Hop-On.Com, Inc. and Hop-On Wireless, Inc.'s Comment Re: Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems... (CC Docket No. 94-102) (IB Docket No. 99-67)

RESPONSES TO INITIAL REGULATORY FLEXIBILITY ANALYSIS ("IRFA")

Hop-On.Com, Inc. and Hop-On Wireless, Inc. (Hereinafter, "Hop-On") responds as follows to the aforesaid matter:

With respect to paragraph 92: Whether the FCC should impose its 911 requirements or similar requirements on resellers?

The FCC should not impose its 911 requirements or similar requirements on resellers. The FCC can ensure compliance with its E911 requirements by requiring licensees to have a certain percentage of the cellular telephones on their respective networks to be compliant. The licensee could then, through its contracts with resellers, require resellers to provide handsets which are E911 ready.

It is Hop-On's understanding that licensees have already taken this step and are in the process of meeting FCC deadlines for ensuring that certain percentages of handsets on the network are E911 compliant.

Further, a number of handsets have already been manufactured which may not meet the new E911 standard and resellers should be allowed to sell and/or use such handsets under a "sunset" or "grandfather" provision made applicable to licensees.

With respect to paragraph 94: Whether resellers should be required to provide access to E911 and what possible obstacles resellers face in ensuring delivery of basic and E911 services?

Resellers should not be required to provide access to E911. However, the Hop-On handset provides basic 911 service within the applicable calling area. The obstacles that resellers face in ensuring delivery of basic and E911 services are as follows:

- 1) Resellers can only provide a handset which is basic 911 or E911 ready. It is then the licensee's responsibility to provide a network for basic 911 and E911 service. Without such a network, the reseller's handset may have the ability to comply with basic 911 and E911 requirements but no platform on which to function or perform.
- 2) Pre-paid resellers are in the business of providing air time through the use of low tier priced handsets (Without the necessity of long term air time contracts). Since Hop-On incurs a cost for each handset and primarily generates revenue from the resale of airtime/minutes, any FCC requirements which require the handset to have additional parts or components to make it E911 ready would require re-certification and have a debilitating effect on Hop-On's revenue and business model as such additional parts or components would require engineering modifications and a greater per unit cost. Moreover, this could even result in Hop-On's business model becoming unfeasible. Other similarly situated resellers may also falter and the consumer, ultimately, would be deprived of a low cost, effective, cellular option.

With respect to paragraph 97: In the event the FCC does impose the aforesaid obligations on reseller, what are the appropriate time frames?

Since a number of handsets have already been manufactured which may not meet the new E911 standard and Hop-On should be allowed to sell and/or use such handsets under a "sunset" or "grandfather" provision made applicable to licensees, the appropriate time frame should be at least two years. This time frame is appropriate so that resellers can sell their handset inventories and it allows licensees and resellers to restructure and re-negotiate contracts which impose E911 requirements on licensees and resellers.

With respect to paragraphs 103 through 105, regarding disposable cellular telephones:

With respect to the availability of low cost and rechargeable, recyclable or disposable handsets, they are currently being offered in the marketplace at this time. These handsets are sold to consumers through retail stores with sixty (60) minutes of air time included and are capable of placing and receiving calls. The air time is purchased by the reseller from a major carrier at wholesale rates and resold to the consumer.

The callback information that is provided for these handsets will include the subscriber caller ID information sent from the licensee, but not the subscriber name, since this service is provided on a prepaid basis.

No location information other than infrastructure related information is provided from these handsets since they are not A-GPS enabled. The technical feasibility of adding A-GPS capabilities would require the handset to be totally redesigned, tested and certified. This would create a

financial burden on the manufacturer as well as the reseller of air time because it would increase the manufactured cost of the handset substantially creating a situation that could make the reseller's business model unfeasible.

Requiring these handsets to be A-GPS enabled will effectively remove this type of low price offering to the consumer from the marketplace. Therefore, the consumer will have to pay a higher price for their handsets and this will keep some members of the public from having access to a low cost, prepaid wireless solution.

Respectfully submitted,

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